

## ANREV/INREV/NCREIF Fund Manager Survey 2018 Snapshot

### The 10 largest managers represent 38.6% of the overall assets under management

- Total real estate AUM increased by 11.8%, from US\$2.5 trillion to US\$2.8 trillion
- Five managers posted real estate assets under management of more than US\$100 billion each
- Average AUM increased by 22.2%, from US\$14.4 billion to US\$17.6 billion

Total real estate assets under management (AUM) reached US\$2.8 trillion at the end of 2017, representing an increase of 11.8% from the US\$2.5 trillion recorded in 2016. The average AUM across all managers was US\$17.6 billion, up by 22.2% from the US\$14.4 billion average AUM recorded previously.

For the first time a quintet of managers posted real estate AUM of more than US\$100 billion each. Previously only three managers recorded an AUM in excess of US\$100 billion.

The 10 largest managers represent 38.6% of the overall AUM which is on par to levels observed in previous years. The degree of concentration among managers varies across the investment strategies. For global investment strategies, the top three largest players are much larger in terms of total AUM than the fourth-ranked player. This is not the case for all regional strategies.

For Asia Pacific strategies the largest manager is much larger than the rest, while for European and North American strategies the leading players are bunched much more closely together.

The trend towards consolidation has led to an increase in mergers and acquisitions (M&A). Almost one in four managers have been involved in M&A activities in the last ten years, a slight increase on the previous year when this figure was just one in five.

Total real estate AUM varies across regional strategies. European and North American strategies represent similar proportions of the overall real estate AUM, 36.9% and 33.8% respectively. Meanwhile Asia Pacific strategies represent 16.9% of total real estate assets under management, and global strategies comprise 11.9% of the total real estate AUM.

**Figure 1: Total real estate assets under management by regional strategy**

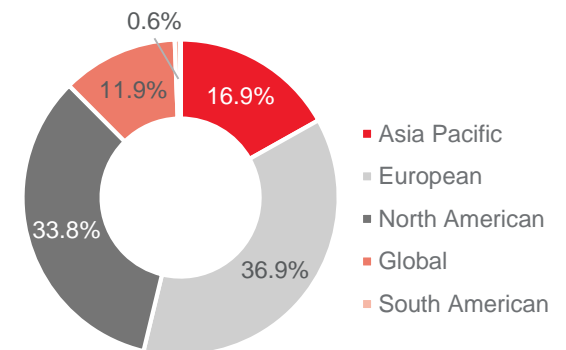
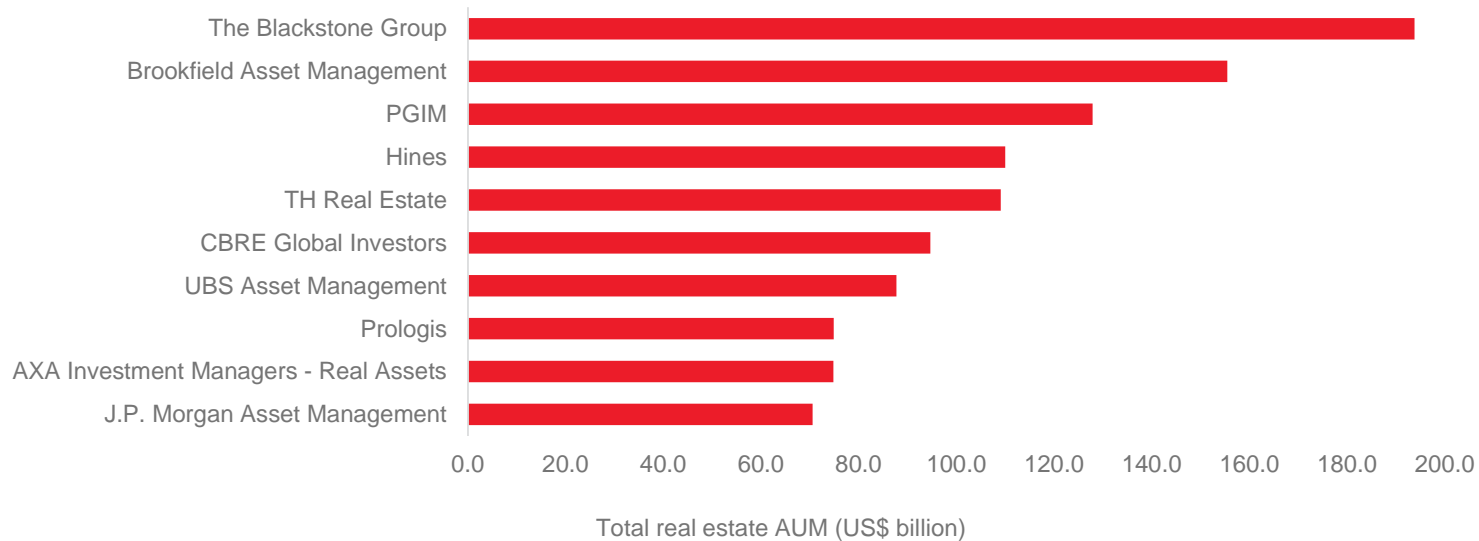


Figure 2: Top 10 fund managers by total real estate AUM



With US\$193.8 billion of real estate AUM, The Blackstone Group tops the overall list. Their total real estate AUM increased by 28.4% from US\$150.9 billion previously. Brookfield Asset Management posted total real estate AUM of US\$155.5 billion, a modest 5.1% increase from the previous year bringing them to second place. In third position was PGIM with US\$127.9 billion of real estate AUM. Hines and TH Real Estate conclude the quintet of managers with AUM in excess of US\$100 billion, with US\$110.1 billion and US\$109.1 billion respectively.

PGIM topped the list for North American strategies with AUM of US\$100.3 billion, which is much larger than the US\$66.3 billion recorded by AXA Investment Managers – Real Assets who earned first place among managers operating European strategies. For both these strategies, at least US\$30 billion is needed to make it to the top 10. In Asia Pacific, CapitaLand Limited ranked first with US\$48.2 billion while The Blackstone Group earned its top place among global strategy managers with US\$98.3 billion, far ahead of Prologis with US\$74.9 billion

Non-listed real estate represents a significant portion of total real estate assets under management. Of the US\$2.8 trillion total AUM, non-listed accounts for 83.3% or US\$2.4 trillion with funds comprising almost half, 45.4% of the total real estate AUM. Meanwhile listed and other real estate represent 10.3% and 6.4% respectively.

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